



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE March 30, 2004

Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released an audit report on the Fremont County Landfill Commission.

The Commission had total operating revenues of \$331,449 for the year ended June 30, 2003, a thirteen percent decrease from the prior year, which included gate fees of \$250,391 and county and city assessments of \$81,058.

Operating expenses totaled \$367,913, a thirty-seven percent increase from the prior year. Expenses included \$58,972 for employee salaries and benefits, \$17,778 for long range planning and engineering, and recognition of \$144,673 of closure and postclosure care costs. The significant increase in operating expenses is due primarily to the recognition of additional closure and postclosure care costs as a result of a change in the estimate of the total capacity used.

The report contains recommendations to the Commission. For example, the Commission should improve internal control for weaknesses identified and should approve and file updated depository resolutions. The Commission responded favorably to the recommendations.

A copy of the audit report is available for review in the Office of Auditor of State and the Fremont County Landfill Commission.

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FREMONT COUNTY LANDFILL COMMISSION

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS**

JUNE 30, 2003

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Fremont County Landfill Commission

Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Ross Silcock	Chairperson	City of Tabor
Rodney Umphreys	Member	City of Thurman
Terry Holliman	Member	City of Hamburg
Tom Shull	Member	City of Farragut
Doug Hobbie	Member	City of Sidney
Vance Trively	Member	City of Randolph
Harold Taylor	Member	City of Imogene
Dave Detrick	Member	City of Riverton
Chuck Larson	Member	Board of Supervisors
Michael Fox	Manager	
Bonnie Ward	Scale Operator	

Fremont County Landfill Commission



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Independent Auditor's Report

To the Members of the Fremont County Landfill Commission:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of the Fremont County Landfill Commission as of and for the year ended June 30, 2003. These general purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Fremont County Landfill Commission at June 30, 2003 and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note 10 to the financial statements, the Fremont County Landfill Commission intends to implement Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures, for the year ending June 30, 2004. The effects of these statements are expected to significantly impact the presentation of the Commission's financial statements and related notes in the year of implementation. The revised requirements include the use of the economic resources measurement focus and full accrual accounting, as well as an analytical overview of the Commission's financial activities in the Management's Discussion and Analysis introduction to the financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated January 30, 2004 on our consideration of the Fremont County Landfill Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 30, 2004

Fremont County Landfill Commission

Fremont County Landfill Commission

Balance Sheet

June 30, 2003

Assets

Current assets:	
Cash	\$ 150,213
Receivables:	
Accounts	51,311
Accrued interest	224
Lawsuit settlement (note 9)	24,777
Due from other governments	7,068
Prepaid insurance	1,489
Total current assets	<u>235,082</u>
Restricted assets:	
Cash	12,929
Certificates of deposit	95,901
Total restricted assets	<u>108,830</u>
Property and equipment at cost, less accumulated depreciation of \$345,014 (note 4)	<u>318,920</u>
Total assets	<u><u>\$ 662,832</u></u>

Liabilities and Fund Equity

Current liabilities:	
Accounts payable	\$ 9,447
Salaries and benefits payable	787
Capital lease (note 5)	29,551
Compensated absences	622
Due to other governments	3,317
Total current liabilities	<u>43,724</u>
Non-current liabilities:	
Capital lease (note 5)	133,263
Estimated liability for landfill closure and postclosure care costs (note 6)	471,341
Total non-current liabilities	<u>604,604</u>
Total liabilities	<u>648,328</u>
Fund equity:	
Unreserved retained earnings	<u>14,504</u>
Total liabilities and fund equity	<u><u>\$ 662,832</u></u>

See notes to financial statements.

Exhibit B

Fremont County Landfill Commission

Statement of Revenues, Expenses and
Changes in Retained Earnings

Year ended June 30, 2003

Operating revenues:	
Gate fees	\$ 250,391
County and city assessments	81,058
Total operating revenues	<u>331,449</u>
Operating expenses:	
Salaries and benefits	58,972
Machinery maintenance, labor and parts	17,395
Oil and gas	7,079
Long range planning and engineering	17,778
Site maintenance	9,996
Site utilities	5,166
Office expenses	1,992
Training and travel	1,028
Legal and accounting	11,791
Insurance	5,095
Closure and postclosure care costs	144,673
Recycling	650
Iowa Department of Natural Resources tonnage fees	12,445
Depreciation	61,709
Sales tax	5,261
Miscellaneous	6,883
Total operating expenses	<u>367,913</u>
Operating loss	<u>(36,464)</u>
Non-operating revenues (expenses):	
Lawsuit settlement	49,554
Interest income	5,310
Interest expense	(9,273)
Net non-operating revenues	<u>45,591</u>
Net income	<u>9,127</u>
Retained earnings beginning of year	<u>5,377</u>
Retained earnings end of year	<u>\$ 14,504</u>
See notes to financial statements.	

Fremont County Landfill Commission

Statement of Cash Flows

Year ended June 30, 2003

Cash flows from operating activities:	
Cash received from gate fees	\$ 228,137
Cash received from assessments	78,698
Cash payments to suppliers for goods and services	(96,815)
Cash payments to employees for services	(62,269)
Net cash provided by operating activities	<u>147,751</u>
Cash flows from non-capital financing activities:	
Cash received from lawsuit settlement	<u>24,777</u>
Cash flows from capital and related financing activities:	
Principal payments on capital lease	(28,182)
Interest payments on capital lease	(9,273)
Purchase of property and equipment	(84,462)
Net cash used for capital and related financing activities	<u>(121,917)</u>
Cash flows from investing activities:	
Purchase of certificates of deposit	(40,924)
Interest received	5,331
Net cash used for investing activities	<u>(35,593)</u>
Net increase in cash and cash equivalents	15,018
Cash and cash equivalents beginning of year	<u>148,124</u>
Cash and cash equivalents end of year	<u><u>\$ 163,142</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	<u>\$ (36,464)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	61,709
Closure and postclosure care costs	144,673
Changes in assets and liabilities:	
(Increase) in receivables	(24,614)
Decrease in prepaid insurance	532
Increase in payables	1,915
Total adjustments	<u>184,215</u>
Net cash provided by operating activities	<u><u>\$ 147,751</u></u>

See notes to financial statements.

Fremont County Landfill Commission

Notes to Financial Statements

June 30, 2003

(1) Summary of Significant Accounting Policies

The Fremont County Landfill Commission was formed in 1996 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Commission is to provide for the control, collection and disposal of all solid waste produced or generated within each unit of government which is a member of the Commission.

The Commission is composed of one representative from each of the eight member cities and one representative from Fremont County. The member cities are: Thurman, Tabor, Hamburg, Riverton, Farragut, Sidney, Randolph, and Imogene. The representative of a city is appointed by the political subdivision to be represented.

A. Reporting Entity

For financial reporting purposes, the Fremont County Landfill Commission has included all funds, organizations, agencies, boards, commissions and authorities. The Commission has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Commission are such that exclusion would cause the Commission's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Commission to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Commission. The Fremont County Landfill Commission has no component units which meet the Governmental Accounting Standards Board criteria.

B. Fund Accounting

The accounts of the Fremont County Landfill Commission are organized as an Enterprise Fund. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Measurement Focus

Enterprise Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheet. The reported fund equity, net total assets, is reported as retained earnings. The operating statement presents increases (revenue) and decreases (expenses) in net total assets.

In reporting the financial activity of its Enterprise Fund, the Commission applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with standards set forth by the Governmental Accounting Standards Board. Revenues are recognized when earned and expenses are recognized when incurred.

E. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash Equivalents – The Commission considers all short-term cash investments that are highly liquid to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months. Cash equivalents of the Commission include money market accounts. Cash investments not meeting the definition of cash equivalents at June 30, 2003 included certificates of deposit of \$95,901.

Restricted Assets – Certain certificates of deposits and money market accounts are classified as restricted assets since the Commission has identified and limited their use only for recycling and future closure and postclosure care costs.

Property and Equipment – Property and equipment are accounted for at historical cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Buildings are depreciated over an estimated useful life of twenty years and equipment is depreciated over estimated useful lives of five to seven years.

The cost of repair and maintenance is charged to expense, while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation of assets disposed of are deleted, with any gain or loss recorded in current operations.

Interest is capitalized on qualified assets acquired with certain tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. There were no qualifying assets acquired during the year ended June 30, 2003.

Compensated Absences – Commission employees accumulate a limited amount of earned but unused vacation, sick leave and comp time hours for subsequent use or for payment upon termination, death or retirement. The Commission's compensated absences liability has been computed based on rates of pay in effect at June 30, 2003.

(2) Cash and Investments

The Commission's deposits in banks at June 30, 2003 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against depositories to insure there will be no loss of public funds.

The Commission is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Commission; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2003, the Commission had cash on hand of \$150 and deposits as follows:

Certificates of deposit	\$ 95,901
Checking account	80,604
Savings accounts	<u>82,388</u>
Total	<u>\$ 258,893</u>

The Commission had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3.

(3) Pension and Retirement Benefits

The Commission contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the Commission is required to contribute 5.75% of annual payroll. Contribution requirements are established by state statute. The Commission's contribution to IPERS for the year ended June 30, 2003 was \$2,918, equal to the required contribution for the year.

(4) Property and Equipment

A summary of property and equipment at June 30, 2003 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land and improvements	\$ 2,700	64,371	-	67,071
Buildings	34,388	3,956	-	38,344
Equipment	540,554	18,032	(67)	558,519
Total	<u>\$ 577,642</u>	<u>86,359</u>	<u>(67)</u>	<u>663,934</u>
Less accumulated depreciation				<u>(345,014)</u>
Total				<u>\$ 318,920</u>

(5) Capital Lease

The Commission entered into a capital lease agreement on November 1, 2001 to lease a John Deere scraper. The agreement is for a period of 6 years at an interest rate of 4.75%, and expires in fiscal year 2008. The following is a schedule by year of future minimum lease payments and the present value of net minimum lease payments:

Year Ending June 30,	Present Value of Net Minimum Lease Payments	Amount Representing Interest	Total Minimum Lease Payments
2004	\$ 29,551	7,787	37,455
2005	30,985	6,347	37,455
2006	32,490	4,837	37,455
2007	34,067	3,253	37,455
2008	35,721	1,593	37,455
Total	<u>\$ 162,814</u>	<u>23,817</u>	<u>187,275</u>

Payments under this capital lease agreement for the year ended June 30, 2003 totaled \$37,455.

(6) Closure and Postclosure Care Cost

To comply with federal and state regulations, the Commission is required to complete a monitoring system plan and a closure/postclosure plan and to provide funding necessary to effect closure and postclosure, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year postclosure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirements is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide that when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board (GASB) Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually due to the potential for changes due to inflation or deflation, technology, or applicable laws or regulations.

The total costs for the Fremont County Landfill Commission have been estimated at \$239,271 for closure and \$556,660 for postclosure, for a total of \$795,931 as of June 30, 2003. The portion of the liability that has been recognized is \$471,341. This liability represents the cumulative amount reported to date based on the use of approximately 59 percent of the capacity of the landfill with a remaining life of 21 years. A provision for the above liability has been made on the Commission's balance sheet as of June 30, 2003. The Commission has begun to accumulate resources to fund these costs and, at June 30, 2003, deposits of \$96,043 are held for these purposes, of which \$39,642 and \$56,401 have been reserved for closure and postclosure care costs, respectively. They are reported as restricted assets on the balance sheet.

Pursuant to Chapter 567-111.3(3) of the IAC, since the estimated closure and postclosure costs are not fully funded, the Commission is required to demonstrate financial assurance for the unfunded costs. Effective September 24, 2002, the Commission has adopted the Local Government Guaranty mechanism to demonstrate financial assurance for the unfunded costs.

(7) Solid Waste Tonnage Fees Retained

The Commission has established an account for restricting and using solid waste tonnage fees retained by the Commission in accordance with Chapter 455B.310 of the Code of Iowa. At June 30, 2003, the unspent amount retained by the Commission and restricted for the required specific purposes totaled \$12,787.

(8) Risk Management

The Commission is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past two fiscal years. The Commission assumes liability for any deductibles and claims in excess of coverage limitations.

(9) Lawsuit Settlement

In June 2003, the Commission entered into a lawsuit settlement agreement with Iowa Waste Systems, Inc. (IWS). The agreement resolved a dispute between the parties concerning the taking of waste allegedly outside of the Comprehensive Plan and/or Landfill permit of IWS. The agreement requires two equal installments of \$24,777 to be paid to the Commission. The Commission received the first installment of \$24,777 on June 18, 2003. The second installment is to be paid by April 1, 2004.

(10) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures. These statements will be implemented for the year ending June 30, 2004. The effects are expected to significantly impact the presentation of the Commission’s financial statements in the year of implementation. The revised requirements include using the economic resources measurement focus and full accrual accounting. Also, the revised minimum reporting requirements include Management’s Discussion and Analysis to introduce the financial statements and to provide an analytical overview of the Commission’s financial activities.

Fremont County Landfill Commission



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STATE OF IOWA**

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Auditor of State

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**Independent Auditor's Report on Compliance and
on Internal Control over Financial Reporting**

To the Members of the Fremont County Landfill Commission:

We have audited the general purpose financial statements of the Fremont County Landfill Commission as of and for the year ended June 30, 2003, and have issued our report thereon dated January 30, 2004. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Fremont County Landfill Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance that are addressed in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2003 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements of the Commission. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved except for item (1).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fremont County Landfill Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Fremont County Landfill Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe items (A) and (B) are material weaknesses. Prior year reportable conditions have been resolved except for items (A) and (B).

This report, a public record by law, is intended solely for the information of the members and customers of the Fremont County Landfill Commission and other parties to whom the Commission may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Fremont County Landfill Commission during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 30, 2004

Fremont County Landfill Commission

Schedule of Findings

Year ended June 30, 2003

Findings Related to the General Purpose Financial Statements:

REPORTABLE CONDITIONS:

- (A) Segregation of Duties – One important aspect of internal accounting control is the segregation of duties among employees and those providing financial services to prevent an individual from handling duties which are incompatible. The Commission utilizes a Service Bureau to process financial transactions. The Service Bureau has control over each of the following areas:

- (1) Investments – Recording investment transactions, reconciling and verifying earnings.
- (2) Receipts – mail opening, collecting, depositing, journalizing, posting and maintaining accounts receivable.

Recommendation – We realize that with a limited number of office employees, segregation of duties is difficult. However, the Commission should review the transactions and balances to obtain the maximum internal control possible under the circumstances.

Response –

- (1) One member of the Landfill Commission will annually review investments held.
- (2) We do not have enough staffing to segregate duties any more than they already are.

Conclusion –

- (1) Response accepted.
- (2) Response acknowledged. The Commission should delegate a Commission member to review the transactions and balances to obtain the maximum internal control possible.

- (B) Fixed Assets Records – A periodic inventory of capitalized assets is not performed. In addition, identifying information is not promptly placed on assets when received.

Recommendation – An inventory of all property and equipment should be taken at least once each year and compared to the fixed assets records. Also, identifying information should be promptly placed on the assets when received.

Response – The Landfill Commission will inspect fixed assets each spring and will place identification numbers on assets corresponding to the fixed asset listing.

Conclusion – Response accepted.

Fremont County Landfill Commission

Schedule of Findings

Year ended June 30, 2003

Other Findings Related to Required Statutory Reporting:

- (1) Official Depositories – The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2003. However, the Commission did not file new depository resolutions at the time Fremont County Savings Bank became First Community Bank and Citizens Bank became Great Western Bank.

Recommendation – The Commission should approve amounts sufficient to cover anticipated balances at all approved depositories in accordance with Chapter 12C.2 of the Code of Iowa. Such resolution should be kept current.

Response – The Landfill Commission will update the depository resolution at the next scheduled board meeting.

Conclusion – Response accepted.

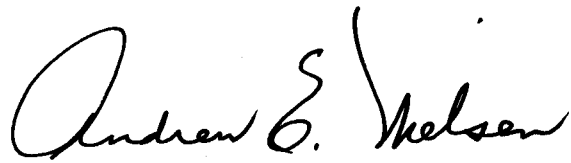
- (2) Questionable Expenses – No expenses that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No expenditures for travel expenses of spouses of Commission officials or employees were noted.
- (4) Commission Minutes – No transactions were found that we believe should have been approved in the Commission minutes but were not.
- (5) Deposits and Investments – Except as noted above, no instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the Commission's investment policy were noted.
- (6) Solid Waste Tonnage Fees Retained – During the year ended June 30, 2003, the Commission used or retained the solid waste fees in accordance with Chapter 455B.310 of the Code of Iowa.
- (7) Closure/Postclosure Funds – In accordance with chapter 455B.306(8) of the Code of Iowa and the Iowa Administrative Code, the Commission maintains closure/postclosure funds in separate accounts.

Fremont County Landfill Commission

Staff

This audit was performed by:

Suzanne R. Hanft, CPA, Manager
Jill M. Bergantzel, CPA, Staff Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA
Deputy Auditor of State